

**YWCA OF HIGH POINT, NC, INC.**

**Financial Statements**

**December 31, 2019 and 2018**

BRESLOW  STARLING

*Certified Public Accountants*

# **YWCA OF HIGH POINT, NC, INC.**

**DECEMBER 31, 2019 AND 2018**

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## **Independent Auditor's Report**

To the Board of Directors  
YWCA of High Point, NC, Inc.  
High Point, North Carolina

We have audited the accompanying financial statements of YWCA of High Point, NC, Inc., a non-profit organization, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA of High Point, NC, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Breslow Starling Frost Warner Boger Hiatt, PLLC*

Greensboro, North Carolina

September 3, 2020

# YWCA OF HIGH POINT, NC, INC.

## Statements of Financial Position

As of December 31, 2019 and 2018

<b>Assets</b>	<b>2019</b>	<b>2018</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 52,874	\$ 71,878
Accounts Receivable	5,364	478
Refundable Sales Tax	6,772	10,242
Promises to Give	220,041	259,903
Inventory	0	8,400
Prepaid Expenses	65	65
<b>Total Current Assets</b>	<b>285,116</b>	<b>350,966</b>
<b>Endowment Investments</b>	<b>92,112</b>	<b>48,421</b>
<b>Other Assets</b>		
Cash Restricted for Capital Campaign and Other Programs	554,244	636,121
Investment Restricted for Capital Campaign	0	27,891
Unconditional Promises to Give for Capital Campaign	548,845	153,187
Net Property and Equipment	3,157,938	3,326,887
<b>Total Other Assets</b>	<b>4,261,027</b>	<b>4,144,086</b>
<b>Total Assets</b>	<b>\$ 4,638,255</b>	<b>\$ 4,543,473</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 23,036	\$ 63,013
Accrued Expenses	22,095	17,774
Current Maturities of Long-Term Debt	100,000	100,000
Current Maturities of Capital Lease Obligation	21,103	20,279
<b>Total Current Liabilities</b>	<b>166,234</b>	<b>201,066</b>
<b>Long-Term Liabilities</b>		
Long-Term Debt, Less Current Maturities	1,625,000	1,725,000
Capital Lease Obligation, Net of Current Portion	39,590	60,693
<b>Total Long-Term Liabilities</b>	<b>1,664,590</b>	<b>1,785,693</b>
<b>Total Liabilities</b>	<b>1,830,824</b>	<b>1,986,759</b>
<b>Net Assets</b>		
Without Donor Restrictions	1,493,439	1,490,197
With Donor Restrictions	1,313,992	1,066,517
<b>Total Net Assets</b>	<b>2,807,431</b>	<b>2,556,714</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,638,255</b>	<b>\$ 4,543,473</b>

The accompanying notes are an integral part of these financial statements.

**YWCA OF HIGH POINT, NC, INC.**  
**Statements of Activities**  
**For the Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Net Assets without Donor Restrictions</b>		
<b>Revenues and Other Support</b>		
United Way Allocation	\$ 126,042	\$ 133,559
Contributions	176,652	196,919
In-Kind Contributions	65,706	108,347
Special events (net of direct expenses of \$9,304 in 2019 and \$11,736 in 2018)	49,062	53,280
Membership Dues	12,650	7,709
Program Service Fees	257,632	258,162
Building Usage	12,141	7,264
Sales of Materials, Net	235	110
Investment Income (Loss)	(1,770)	3,625
Interest Income	563	711
Gain (Loss) on Disposal of Property and Equipment	5,000	(50)
Other Income (Loss)	(1,235)	938
<b>Total Revenues and Other Support</b>	<b>702,678</b>	<b>770,574</b>
<b>Net Assets Released from Donor Restrictions</b>	<b>591,305</b>	<b>599,268</b>
<b>Total Revenues and Other Support without Donor Restrictions</b>	<b>1,293,983</b>	<b>1,369,842</b>
<b>Expenses:</b>		
Program Services (including in-kind expenses of \$0 in 2019 and \$39,259 in 2018)	1,107,747	1,002,107
Supporting Services		
Management and General	46,134	59,050
Fundraising	131,069	111,534
Payments to Affiliates	5,791	4,813
<b>Total Expenses</b>	<b>1,290,741</b>	<b>1,177,504</b>
<b>Increase in Net Assets without Donor Restrictions</b>	<b>3,242</b>	<b>192,338</b>
<b>Net Assets with Donor Restrictions</b>		
Contributions	9,683	3,088
United Way Allocation	126,042	129,502
Grants from Governmental Agencies	144,352	148,750
Capital Campaign	541,272	90,532
Investment Income (Loss)	17,431	(21,291)
Net Assets Released from Donor Restrictions	(591,305)	(599,268)
<b>Increase (Decrease) in Net Assets with Donor Restrictions</b>	<b>247,475</b>	<b>(248,687)</b>
<b>Increase (Decrease) in Net Assets</b>	<b>250,717</b>	<b>(56,349)</b>
<b>Net Assets, Beginning of Year</b>	<b>2,556,714</b>	<b>2,613,063</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,807,431</b>	<b>\$ 2,556,714</b>

The accompanying notes are an integral part of these financial statements.

**YWCA OF HIGH POINT, NC, INC.**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2019 and 2018**

Year Ended December 31, 2019	Program Services									Supporting Services			Total Functional Expenses
	Aquatics	Child Care	Family Life	Women's Services	Pottery Studio and Art	Latino Family Center	Teaching Kitchen	Healthy Beginnings	Total	Management and General	Fund Raising	Total Supporting Services	
Compensation	\$ 171,046	\$ 108,370	\$ 85,768	\$ 36,009	\$ 17,982	\$ 72,425	\$ 27,751	\$ 35,119	\$ 554,470	\$ 11,746	\$ 5,873	\$ 17,619	\$ 572,089
Employee Benefits	6,996	4,424	8,516	1,316	824	2,127	978	531	25,712	700	678	1,378	27,090
Payroll Taxes	12,723	8,010	6,012	2,632	1,266	4,875	2,002	2,551	40,071	813	407	1,220	41,291
Professional Fees	3,465	3,465	2,048	1,575	1,260	1,575	1,125	0	14,513	765	473	1,238	15,751
Supplies	10,460	9,176	4,782	71,728	1,761	3,536	2,068	1,497	105,008	4,610	3,227	7,837	112,845
Telephone	2,311	1,961	1,262	971	777	971	582	0	8,835	582	291	873	9,708
Postage and Shipping	130	130	148	63	47	59	35	0	612	39	947	986	1,598
Occupancy	30,797	28,905	16,185	12,508	10,119	12,508	7,730	1,877	120,629	12,144	3,865	16,009	136,638
Equipment Repair and Rental	13,507	5,193	2,671	2,057	2,778	2,057	1,244	79	29,586	1,293	622	1,915	31,501
Travel and Vehicle	0	7,961	3,635	0	22	288	0	790	12,696	363	0	363	13,059
Conferences and Meetings	50	50	5,258	13,421	0	140	0	953	19,872	1,872	0	1,872	21,744
Advertising	0	0	0	0	0	0	0	0	0	930	49	979	979
Miscellaneous	2,406	3,702	875	893	539	654	404	0	9,473	10,007	25,066	35,073	44,546
Interest	2,863	0	0	0	0	0	0	0	2,863	0	84,300	84,300	87,163
Depreciation	38,655	38,655	17,571	14,057	12,299	14,057	10,542	17,571	163,407	270	5,271	5,541	168,948
<b>Total Functional Expenses</b>	<b>\$ 295,409</b>	<b>\$ 220,002</b>	<b>\$ 154,731</b>	<b>\$ 157,230</b>	<b>\$ 49,674</b>	<b>\$ 115,272</b>	<b>\$ 54,461</b>	<b>\$ 60,968</b>	<b>\$ 1,107,747</b>	<b>\$ 46,134</b>	<b>\$131,069</b>	<b>\$ 177,203</b>	<b>\$ 1,284,950</b>

Year Ended December 31, 2018	Program Services									Supporting Services			Total Functional Expenses
	Aquatics	Child Care	Family Life	Women's Services	Pottery Studio and Art	Latino Family Center	Teaching Kitchen	Healthy Beginnings	Total	Management and General	Fund Raising	Total Supporting Services	
Compensation	\$ 150,503	\$ 106,208	\$ 78,674	\$ 56,813	\$ 36,580	\$ 74,327	\$ 26,578	\$ 0	\$ 529,683	\$ 17,167	\$ 5,722	\$ 22,889	\$ 552,572
Employee Benefits	8,156	3,204	7,093	2,986	2,174	2,211	1,600	0	27,424	1,600	624	2,224	29,648
Payroll Taxes	11,089	7,677	5,618	4,226	2,635	5,030	1,913	0	38,188	1,193	398	1,591	39,779
Professional Fees	5,715	5,715	4,635	4,335	4,035	4,275	720	0	29,430	4,945	3,965	8,910	38,340
Supplies	6,548	9,241	4,796	16,148	5,422	5,058	1,773	0	48,986	4,537	6,325	10,862	59,848
Telephone	2,145	2,145	1,267	975	780	975	585	0	8,872	585	302	887	9,759
Postage and Shipping	113	89	159	41	28	40	25	0	495	37	941	978	1,473
Occupancy	30,656	28,307	16,467	12,667	10,133	12,667	7,600	0	118,497	10,698	4,490	15,188	133,685
Equipment Repair and Rental	13,337	3,809	2,251	1,731	2,729	1,731	1,604	0	27,192	1,038	513	1,551	28,743
Travel and Vehicle	0	6,208	4,268	0	50	66	0	0	10,592	2,226	0	2,226	12,818
Conferences and Meetings	850	0	871	233	0	0	97	0	2,051	1,544	45	1,589	3,640
Advertising	0	0	0	2	0	0	0	0	2	1,280	247	1,527	1,529
Miscellaneous	1,560	4,476	837	644	515	644	402	0	9,078	11,648	1,105	12,753	21,831
Interest	3,833	0	0	0	0	0	0	0	3,833	0	81,985	81,985	85,818
Depreciation	35,728	35,728	21,112	16,240	12,992	16,240	9,744	0	147,784	552	4,872	5,424	153,208
<b>Total Functional Expenses</b>	<b>\$ 270,233</b>	<b>\$ 212,807</b>	<b>\$ 148,048</b>	<b>\$ 117,041</b>	<b>\$ 78,073</b>	<b>\$ 123,264</b>	<b>\$ 52,641</b>	<b>\$ 0</b>	<b>\$ 1,002,107</b>	<b>\$ 59,050</b>	<b>\$111,534</b>	<b>\$ 170,584</b>	<b>\$ 1,172,691</b>

The accompanying notes are an integral part of these financial statements.

**YWCA OF HIGH POINT, NC, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 250,717	\$ (56,349)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	168,948	153,208
In-Kind Support for Property and Equipment	0	(69,560)
Loss on Disposition of Property and Equipment	0	50
Unrealized (Gain) Loss on Investments	(10,838)	8,463
Changes in Assets and Liabilities:		
Accounts Receivable and Refundable Sales Tax	(1,416)	2,699
Promises to Give	39,862	(45,649)
Inventory	8,400	725
Pledges Restricted for Capital Campaign	(541,273)	103,764
Accounts Payable	(39,977)	(24,009)
Accrued Expenses	4,321	(1,632)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(121,256)</b>	<b>71,710</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sale of Investments	45,503	116
Purchases of Investments	(50,462)	(5,022)
Purchases of Property and Equipment	0	(104,957)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(4,959)</b>	<b>(109,863)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Collection of Funds Restricted for Capital Campaign and Other Programs	227,492	169,791
Repayment of Long-Term Debt	(100,000)	(100,000)
Repayment of Capital Lease	(20,281)	(19,489)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>107,211</b>	<b>50,302</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(19,004)</b>	<b>12,149</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>71,878</b>	<b>59,729</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 52,874</b>	<b>\$ 71,878</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
<b>Cash paid for:</b>		
Interest	\$ 84,032	\$ 52,346

The accompanying notes are an integral part of these financial statements.



**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 1 – Nature of Organization and Summary of Significant Accounting Policies**

Nature of Organization – The Young Women’s Christian Association of High Point, NC, Inc. (the Organization) is a non-profit organization established under the laws of the State of North Carolina for the purpose of promotion of growth in Christian character and service through physical, social, mental, and spiritual training. Its current programs include:

**Aquatics** – Provides swimming instruction for infants to senior adults including adaptive aquatics for physically and mentally challenged individuals, competitive swim, water exercise, and lifeguard training.

**Child Care** – Provides safe and affordable care for school age children, ages 5-12, including programs before and after school and full day care during holidays and summer vacation.

**Family Life** – Programs to strengthen individuals and families through parent education for teen mothers, providing necessities for infants from low income families, and offering supportive education groups for female teens to delay sexual activity and adolescent pregnancy.

**Women’s Services** – Programs designed to increase awareness of women’s health issues.

**Pottery Studio and Art** – Provides workshops and classes for adults and youth.

**Latino Family Center** – The Center is dedicated to improving the quality of life and to promoting community participation of Latinos living in the community.

**Teaching Kitchen** – Classes to teach adults, teens, and youth to cook healthy meals to fight chronic diseases.

**Healthy Beginnings** – Provides a personalized program for healthy pregnancies, healthy children, and to maintain a healthy lifestyle between pregnancies to minority women between 20-30 years old and their children.

Basis of Accounting – The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) ACS 205, Financial Statements of Not-for-Profit Organizations. Under (SFAS) ACS 205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all cash accounts which are not subject to withdrawal restrictions and all highly liquid investments with a maturity of three months or less to be cash equivalents.

(Continued)

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 1 - Summary of Significant Accounting Policies and Nature of Organization (Continued)**

Promises to Give – The Organization recognizes unconditional promises to give as support in the period the promise is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Management considers all promises to give to be collectible, therefore, no allowance for doubtful accounts has been provided.

Accounts Receivable – Accounts receivable are unsecured and consist primarily of amounts due for program services provided. Management considers all accounts receivable to be collectible; therefore, no allowance for doubtful accounts has been provided.

Property and Equipment – Property and equipment are recorded at cost when purchased and fair value when donated. Major additions or betterments are charged to the property accounts while replacements, maintenance, and repairs are generally charged to expense as incurred. The Organization's definition of a capital item is a purchase exceeding \$500 with a depreciable life of three years or more. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the years ended December 31, 2019 and 2018 was \$150,278 and \$134,538, respectively.

The Organization reports gifts of property and equipment as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

The Organization reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If this review indicates that the asset will not be recoverable, based on the expected cash flows of the related assets, an impairment loss is recognized and the asset's value is reduced. No such impairment loss was recognized during the years ended December 31, 2019 and 2018.

Concentration of Credit Risk – Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash balances in bank deposit accounts that, at times, may exceed federally insured limits. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. The bank balances exceed the federally insured limit by approximately \$357,000 and \$458,000 at December 31, 2019 and 2018, respectively.

Income Taxes – The Organization is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code. The Organization has implemented the accounting guidance for uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ACS 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. Such tax positions initially and subsequently need to be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the positions and relevant facts.

(Continued)

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 1 - Summary of Significant Accounting Policies and Nature of Organization (Continued)**

As of December 31, 2019, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and has incurred no interest or penalties related to unrecognized tax liabilities. With few exceptions, the Organization is no longer subject to income tax examinations by tax authorities for years prior to 2016.

Revenue Recognition – Revenue and other support (including unpaid pledges) are recorded at date of receipt as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Pledges due are recorded at their present value.

Contributions and Grants – Contributions and grants received are recorded as with donor restrictions or without donor restrictions, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. Upon expiration of a time restriction or compliance with the purpose restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Expenses – Expenses are charged directly to program or management in general categories based on specific identification. Indirect expenses have been allocated based on an analysis of personnel time and space utilized for the related activity.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values. Changes in unrealized gains and losses are recognized each year and are included in the Statements of Activities.

Use of Estimates – The presentation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events – Management has evaluated subsequent events through September 3, 2020, the date the financial statements were available to be issued. The Organization is impacted by the Covid-19 pandemic unfolding in the United States. Management has determined it is not possible to predict the eventual outcome of these events. The accompanying financial statements do not include any adjustment related to these matters.

Reclassification - Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 presentation. The reclassification did not change total net assets or the change in net assets for 2018.

Recent Accounting Pronouncements - In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require leases to be recorded as an asset on the balance sheet for the right to use the leased asset and a liability for the corresponding lease obligation for leases with terms of more than twelve months. ASU 2016-02 is effective for non-public companies for fiscal years beginning after December 15, 2019, with early adoption permitted. In May 2020, the FASB issued ASU 2020-05, *Leases (Topic 842)*. This standard defers the effective date to years beginning after December 15, 2021. The Organization is evaluating the impact the pronouncement may have on the consolidated financial statement.

(Continued)

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 1 - Summary of Significant Accounting Policies and Nature of Organization (Continued)**

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU replaces nearly all existing U.S. GAAP guidance on revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers: Topic 606: Defferral of Effective Date*. This standard delays the effective date for nonpublic entities to fiscal years beginning after December 15, 2018 with early adaption permitted. In May 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606)*. This standard defers the effective date to years beginning after December 15, 2019.

**NOTE 2 – Receivables**

Receivables at December 31, 2019 and 2018 are summarized as follows:

	<u>2019</u>	<u>2018</u>
Accounts Receivable:		
Child Care	\$ 1,900	\$ 388
Aquatics	1,610	0
Studio Art	851	0
Miscellaneous	1,003	90
	<u>\$ 5,364</u>	<u>\$ 478</u>
Other Receivables:		
Sales Tax Refund	<u>\$ 6,772</u>	<u>\$ 10,242</u>

**NOTE 3 – Promises to Give**

Promises to give at December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
United Way Services	\$ 126,041	\$ 129,502
Adolescent Parenting Program	46,461	46,345
Community Development Block Grant	8,400	9,414
Z Smith Reynolds	30,000	60,000
Housing Authority of the City of High Point	8,889	5,979
Other	250	8,663
Total Promises to Give	<u>220,041</u>	<u>259,903</u>
Capital Campaign	599,595	162,406
Less: Unamortized Discount	<u>50,750</u>	<u>9,219</u>
Net Capital Campaign	<u>548,845</u>	<u>153,187</u>
Total Promises to Give	<u>\$ 768,886</u>	<u>\$ 413,090</u>

(Continued)

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 3 – Promises to Give (Continued)**

The discount associated with the Capital Campaign pledges is calculated using a variable rate based on the present value of the scheduled payments. Amortization of the discount associated with the Capital Campaign pledges included in the Statements of Activities is \$7,139 and \$977 for the years ended December 31, 2019 and 2018, respectively.

Promises to give not related to the Capital Campaign are expected to be received in 2020. Promises to give associated with the capital campaign are expected to be collected between 2020 and 2024.

**NOTE 4 – Investments**

Endowment investments are comprised of mutual funds and are summarized as follows:

December 31, 2019	Cost	Market Value	Unrealized Appreciation
Mutual Funds	\$ 88,815	\$ 92,112	\$ 3,297

December 31, 2018	Cost	Market Value	Unrealized Depreciation
Mutual Funds	\$ 90,446	\$ 76,312	\$ (14,134)

The funds represent donor designated amounts set aside to provide for capital expenditures (from principal) and income for annual operations (from dividends and interest). The endowment funds are managed by a third party investment advisor and evaluated periodically by management and the advisor.

Investment return is summarized as follows:

	<u>2019</u>	<u>2018</u>
Without Donor Restrictions:		
Interest Income	\$ 1	\$ 0
Dividend Income	2,133	1,961
Short-term Capital Gain	1,498	2,217
Long-term Capital (Loss)	(4,493)	0
Foreign Tax Paid	(75)	(34)
Custodian Fees	(834)	(519)
Total Without Donor Restrictions	(1,770)	3,625
With Donor Restrictions:		
Net Realized and Unrealized Gain (Loss)	17,431	(21,291)
Total	\$ 15,661	\$ (17,666)

The investment restricted for the capital campaign consists of a publicly traded stock and is stated at fair value. Unrealized holding gains associated with this investment of approximately \$0 and \$8,146 are included in the Statement of Activities as restricted support for the years ended December 31, 2019 and 2018, respectively.

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 5 – Capital Campaign**

The Organization’s Growing Our Future Campaign (“the Campaign”) is an ongoing initiative to raise support for construction, renovation, and furnishing of the existing operating facilities. To fund the renovation, the Organization has raised support and has a loan commitment for a note payable of up to a maximum of \$2M subject to fundraising levels (See Note 7). The Campaign project will be carried out in phases. Phase one totaled approximately \$1.5M and was completed in November 2015. Phase 2 totaled approximately \$1.1M and was completed in September 2017. The Organization started fundraising for Phase 3 in 2018. Cash and promises to give related to the capital campaign are restricted to the payment of the cost of the renovations.

**NOTE 6 – Property and Equipment**

Property and equipment at December 31, 2019 and 2018 is summarized as follows:

	<u>2019</u>	<u>2018</u>
Building	\$ 3,969,105	\$ 3,969,104
Furniture and Equipment	404,014	404,014
Vehicles	157,237	160,937
Land	<u>121,333</u>	<u>121,334</u>
	4,651,689	4,655,389
Less Accumulated Depreciation	<u>1,493,751</u>	<u>1,328,502</u>
	<u>\$ 3,157,938</u>	<u>\$ 3,326,887</u>

**NOTE 7 – Long-Term Debt**

Long-term debt consists of:

	<u>2019</u>	<u>2018</u>
Construction note payable to a bank, payable in 19 quarterly principal payments of \$25,000 plus interest at LIBOR plus 2.4 percentage points (4.14% at December 31, 2019) and one final payment of the principal balance then outstanding on March 2022, secured by the assignment of all related construction contracts and real property.	\$ 1,725,000	\$ 1,825,000
Less Current Maturities	<u>100,000</u>	<u>100,000</u>
Total Long-Term Debt	<u>\$ 1,625,000</u>	<u>\$ 1,725,000</u>

(Continued)

**YWCA OF HIGH POINT, NC, INC.**  
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**For the Years Ended December 31, 2019 and 2018**

**NOTE 7 – Long-Term Debt (Continued)**

Future maturities of long term debt are as follows:

2021	\$ 100,000
2022	100,000
2023	<u>1,425,000</u>
	<u><u>\$ 1,625,000</u></u>

Interest expense was \$84,300 and \$81,985 for the years ended December 31, 2019 and 2018, respectively. Interest capitalized during 2019 and 2018 related to the construction project was \$0 and \$4,580, respectively.

The bank loan requires a minimum debt service coverage ratio as defined by the bank of 1 to 1 and the delivery of audited financial statements within 120 days following the Organization's year end along with other covenants. As of December 31, 2019 the Organization was either in compliance with the covenants or had obtained written waivers.

**NOTE 8 – Equipment Under Capital Lease**

The Company entered into a lease-purchase agreement to acquire equipment during 2017. The total cost of the assets under the capital lease agreement is \$93,348. Amortization of the capitalized cost of the equipment is charged to depreciation expense. Depreciation expense was \$18,670 for each of the years ended December 31, 2019 and 2018, respectively.

Future minimum lease payments under the capital-lease obligation subsequent to December 31, 2019 are as follows:

Year Ending December 31:

	\$ 23,141
2020	23,141
2021	<u>17,932</u>
2022	
Future Minimum Lease Payments	64,214
Less Amount Representing Interest	<u>3,521</u>
Present Value of Minimum Lease Payments	60,693
Less: Current Portion	<u><u>21,103</u></u>
Long-Term Capital Lease Obligation	<u><u>\$ 39,590</u></u>

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 9 – Net Assets with Donor Restrictions**

Net Assets with Donor Restrictions consist of the following:

	<u>2019</u>	<u>2018</u>
United Way Allocation	\$ 126,042	\$ 133,559
Adolescent Parenting Program	46,461	46,345
Capital Campaign - Pledges and Cash	1,074,298	765,522
Z. Smith Reynolds	30,000	60,000
Community Development Block Grant	8,400	9,414
Investments - Capital Campaign	0	27,891
Other	28,791	23,786
	<u>\$ 1,313,992</u>	<u>\$ 1,066,517</u>

**NOTE 10 – Donated Services, Materials and Facilities**

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization in various programs. Except for services requiring specific expertise, these amounts have not been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under (SFAS) ACS 605, Accounting for Contributions Received and Contributions Made, have not been satisfied.

A summary of In-Kind Contributions included in the accompanying statements of activities is as follows:

	<u>2019</u>	<u>2018</u>
Contributions:		
Special Events	\$ 2,433	\$ 7,351
Aquatics	133	4,922
Women's Services	60,133	17,382
Child Care	1,633	64,171
Pottery Studio Art	133	4,201
Latino Family Center	713	3,321
Family Life	132	3,678
Management and General	132	3,321
Teaching Kitchen	132	0
Healthy Beginnings	132	0
	<u>\$ 65,706</u>	<u>\$ 108,347</u>

(Continued)



**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 10 – Donated Services, Materials and Facilities (Continued)**

	<u>2019</u>	<u>2018</u>
Expenses/Assets:		
Program:		
Cost of Special Events	\$ 2,380	\$ 7,351
Aquatics	80	4,922
Women's Resource Center	60,080	8,393
Child Care	1,580	4,072
Pottery	80	4,201
Latino Family Center	661	3,321
Family Life	80	3,678
Teaching Kitchen	80	0
Healthy Beginnings	80	0
Professional Fees/Other	80	3,321
Total Program	<u>65,181</u>	<u>39,259</u>
Property and Equipment	525	69,088
	<u>\$ 65,706</u>	<u>\$ 108,347</u>

**NOTE 11 – Leases**

The Organization has entered into an operating lease for office equipment. Future minimum lease payments are \$3,740 due in 2020.

Lease expense was \$5,182 and \$4,988 for the years ended December 31, 2019 and 2018, respectively.

**NOTE 12 – Employee Benefit Plan**

Employees who meet eligibility requirements participate in the National YWCA Retirement Plan. The Organization's contributions were \$8,731 and \$6,929 for the years ended December 31, 2019 and 2018, respectively.

**NOTE 13 – Liquidity and Availability of Financial Assets**

The following reflects the Organization's financial assets as of December 31, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes consist primarily of the allocation from the United Way and other promises to give related to program services.

(Continued)

**YWCA OF HIGH POINT, NC, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2019 and 2018**

**NOTE 13 – Liquidity and Availability of Financial Assets (Continued)**

As of December 31, 2019, the following financial assets could be made readily available within one year of the balance sheet to meet general expenditures:

Financial assets at year-end	\$ 1,480,252
Less those unavailable for general expenditures within one year due to:	
Donor-restricted for capital campaign	1,103,089
Donor-restricted for purchase of equipment	<u>92,112</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 285,051</u></u>